



## MEMO OF UNDERSTANDING

STATE OF WASHINGTON  
DEPARTMENT OF RETIREMENT SYSTEMS

Mail To:  
PO Box 40931  
Olympia, Washington 98504-0931  
Toll Free: 1-888-327-5596  
TDD: 1-877-847-6041

**THIS MEMO HIGHLIGHTS CERTAIN PROVISIONS OF THE DEFERRED COMPENSATION PROGRAM. FOR SPECIFIC DETAILS, YOU SHOULD REFER TO A COPY OF THE PROGRAM HIGHLIGHTS AND REGULATIONS.**

I understand the following:

1. My gross salary will be reduced each month by the amount that I have elected to defer. It is my responsibility to ensure that my deferrals do not exceed the allowable amount specified in IRC § 457; if they do, my employer may disallow deferral of the excess, which also may be taxed currently. However, during the last three years before attaining normal retirement age, or if I am 50 years of age or older, I may be able to defer a greater portion, subject to IRS limitations. For information about special provisions that allow you to exceed the monthly maximum, contact DCP.
2. My deferral cannot begin sooner than the month following Participation Agreement approval (WAC 415-501-410). My accumulated deferrals will be held in trust by the Washington State Investment Board for the exclusive benefit of participants and their beneficiaries until paid to me under the rules of the Plan (WAC 415-501-580). I realize that I may not assign or transfer my rights in the Plan (WAC 415-501-570).
3. I have elected to have my deferred salary invested as indicated on my Participation Agreement.
4. Earnings, if any, will be applied to my accumulated deferrals in accordance with the investment option I select (WAC 415-501-475).
5. I may change or stop the amount I defer and may change my investment(s) by using the Voice Response Unit (VRU), the Internet, customer service representatives or by submitting the proper form. Forms are available on the Internet or by calling the DCP Information Line.
6. There are only four reasons for withdrawal of my funds: Separation from service (WAC 415-501-485), an approved unforeseeable emergency (WAC 415-501-510), an approved voluntary in-service withdrawal (WAC 415-501-500), or purchase of service credits in a governmental defined benefit plan.
7. I may elect the date and method of distribution of my accumulated deferrals according to those methods approved by the Department (WAC 415-501-485). In the event of my death, any unpaid benefits will be paid to my designated beneficiaries (WAC 415-501-486).
8. The Department retains administrative control over the plan and the employer retains the right to terminate the plan (WAC 415-501-530 and WAC 415-501-540).
9. Neither my employer, nor the Department, nor its individual members, shall be liable for the performance of investments.
10. **I understand that I will receive a copy of any applicable prospectuses and an enrollment confirmation notice, indicating acceptance into the plan. I acknowledge that I have received a copy and understand the Deferred Compensation Program Highlights and Regulations.**